

Washington State Auditor's Office

Audit Report

North Yakima Conservation District Yakima County

Audit Period
January 1, 1997 through December 31, 1999

Report No. 61931

Issue Date
January 26, 2001



Washington _____
State Auditor

Brian Sonntag

Audit Summary

**North Yakima Conservation District
Yakima County
January 1, 1997 through December 31, 1999**

ABOUT THE AUDIT

This report contains the results of our independent audit of the North Yakima Conservation District for the period January 1, 1997, through December 31, 1999.

We performed audit procedures to determine if the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated internal controls established by District management. Our work focused on specific areas that have potential for abuse and misuse of public resources.

RESULTS

The District significantly complied with state laws and regulations and its own policies and procedures in the areas we examined. We also audited the financial statements and evaluated the internal controls established by District management.

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Yakima County
January 1, 1997 through December 31, 1999**

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Description of the District

North Yakima Conservation District Yakima County January 1, 1997 through December 31, 1999

ABOUT THE DISTRICT

The North Yakima Conservation District is dedicated to maintaining North Yakima County's renewable natural resources. The District is bordered by the crest of the Cascades to the west and the Columbia River to the east with the Yakima County line and Ahtanum Ridge forming the northern and southern boundaries, respectively. A five-member Board administers the District. Citizens in the District elect three Board Members. The Conservation Commission appoints two other Board Members. The District operates with an annual revenue base of approximately \$300,000, which comes primarily from State Conservation Commission grants. The District has three employees. A Manager has been hired to carry out day-to-day operations.

ELECTED/APPOINTED OFFICIALS

These officials served during the audit period:

Board of Supervisors:

Chair
Vice Chair
Secretary
Treasurer

R. E. Cornelius, Sr.
Phil Small
Keith Boss
Robert Bonnett
Dave Alden

Administrative Staff:

District Manager
Resource Technician
Secretary

Michael Tobin
Brian Schmidt
Jacalyn Whitnall

ADDRESS

District

Suite F
1606 Perry Street
Yakima, WA 98902-5769
(509) 454-5736

Audit Areas Examined

North Yakima Conservation District Yakima County January 1, 1997 through December 31, 1999

In keeping with general auditing practices, we do not examine every portion of the North Yakima Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Centennial Clean Water Fund
- Open Public Meetings Act
- Conflict of interest

INTERNAL CONTROL

We evaluated the following areas of the District's internal control structure:

- Cash receipts
- Payroll
- Purchase of goods and services
- Cash disbursements – Treasurer's checking account

FINANCIAL AREAS

In addition to the financial-related work listed in other categories, we audited the following areas:

- Overall presentation of the financial statements
- Revenues
- Cash and investments
- Expenditures

Audit Overview

North Yakima Conservation District Yakima County January 1, 1997 through December 31, 1999

AUDIT HISTORY

We audit the North Yakima Conservation District every three years. The past two audits of the District have reported no findings.

District officials have taken steps in the past to make improvements and correct conditions noted in prior audits. We believe this reflects the District's commitment to maintain an efficient operation.

CONCLUSIONS

In the areas examined, we found the District complied with state laws and regulations and its own policies and procedures. We also found the District's financial statements were accurate and complete.

We appreciate the District's prompt attention to resolving prior audit issues and its commitment to ensure compliance with conditions reported this audit. We thank District officials and personnel for their assistance and cooperation during the audit.

Independent Auditor's Report on Compliance with State Laws and Regulations

North Yakima Conservation District Yakima County January 1, 1997 through December 31, 1999

Chairperson of the Board of Supervisors
North Yakima Conservation District
Yakima, Washington

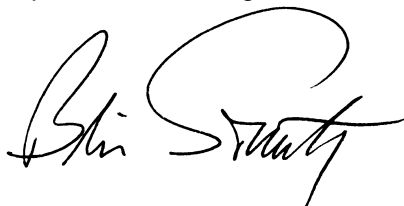
We have audited the financial statements of the North Yakima Conservation District, Yakima County, Washington, as of and for the years ended December 31, 1999, 1998 and 1997, and have issued our report thereon dated September 15, 2000.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Chairperson of the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

September 15, 2000

Independent Auditor's Report on Financial Statements

North Yakima Conservation District Yakima County January 1, 1997 through December 31, 1999

Chairperson of the Board of Supervisors
North Yakima Conservation District
Yakima, Washington

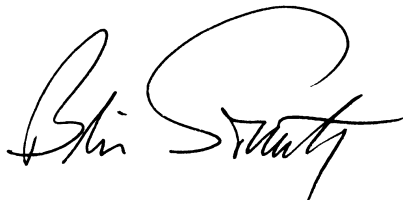
We have audited the accompanying financial statements of the North Yakima Conservation District, Yakima County, Washington, for the years ended December 31, 1999, 1998 and 1997. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the North Yakima Conservation District for the years ended December 31, 1999, 1998 and 1997, on the cash basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Expenditures of State Awards are also presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



BRIAN SONNTAG, CGFM
STATE AUDITOR

September 15, 2000

Financial Statements

North Yakima Conservation District Yakima County January 1, 1997 through December 31, 1999

FINANCIAL STATEMENTS

Resources and Uses Arising from Cash Transactions – 1999
Resources and Uses Arising from Cash Transactions – 1998
Resources and Uses Arising from Cash Transactions – 1997
Notes to Financial Statements – 1999, 1998 and 1997

ADDITIONAL INFORMATION

Schedule of Expenditures of State Awards – 1999
Schedule of Expenditures of State Awards – 1998
Schedule of Expenditures of State Awards – 1997
Notes to the Schedule of Expenditures of State Awards – 1999, 1998 and 1997